GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**
**UNSTARRED QUESTION NO. 413**
Answered on Monday, February 02, 2026 / Magha 13, 1947 (Saka)

**Development of Debt Markets for Infrastructure Financing**

413. Shri Rao Rajendra Singh:

Will the Minister of FINANCE be pleased to state:

(a) the steps taken/being taken by the Government to strengthen India's debt markets and enhance their role in meeting long-term infrastructure financing needs;
(b) the goals envisaged while establishing National Bank for Financing Infrastructure and Development (NaBFID) and the progress made in achieving the same;
(c) whether the Government proposes to introduce policy or regulatory measures to facilitate a more market-driven and diversified ecosystem for infrastructure financing; and
(d) if so, the details thereof?

**ANSWER**
**MINISTER OF STATE IN THE MINISTRY OF FINANCE**
**(SHRI PANKAJ CHAUDHARY)**

(a) The Government has taken a range of measures to deepen India's debt markets and strengthen their role in long-term infrastructure financing, including enabling targeted incentives in public debt issues for specified investor categories (such as women, senior citizens, armed forces personnel and retail investors), easing compliance requirements for debt issuers (including rationalising requirements applicable to high-value listed debt entities and enabling digital dissemination of annual reports), and refining the Electronic Book Provider (EBP) framework to improve transparency, efficiency and price discovery in private placements. Frameworks have also been put in place for Environmental, Social and Governance (ESG) debt securities (green, social, sustainability and sustainability-linked bonds) to expand avenues for financing eligible green and social infrastructure. Measures for streamlining regulatory norms and facilitating wider investor participation have also been taken to strengthen InvITs for asset monetisation and capital recycling.

(b) NaBFID has both financial and developmental objectives under its Act. As on 31 December 2025, it has accorded cumulative sanctions of ~₹3.03 lakh crore and cumulative disbursements of ~₹1.09 lakh crore across core infrastructure and social/commercial sectors, and has advanced its developmental mandate through the launch of a Partial Credit Enhancement (PCE) product to widen the investor base, PPP transaction advisory to build a bankable pipeline, setting up of a GIFT City investment arm to crowd-in foreign capital, expansion of urban infrastructure financing (including ₹520 crore investment in municipal bonds), strengthened MDB partnerships, and engagement with State Governments on asset monetisation with NaBFID as an anchor investor in proposed InvITs.

(c) & (d) The Government is taking policy and regulatory measures on an ongoing basis to enable a more market-driven and diversified infrastructure financing ecosystem by strengthening project bankability, deepening capital markets, and de-risking long-term investors. This includes targeted support for Public-Private Partnerships through Viability Gap Funding, enabling frameworks for market-based instruments such as Infrastructure Investment Trusts (InvITs), Real Estate Investment Trusts (REITs) and Infrastructure Debt Fund–Non-Banking Financial Companies (IDF-NBFCs), strengthening long-tenor financing through National Investment and Infrastructure Fund (NIIF) and NaBFID, and deploying PCE mechanisms to de-risk infrastructure bond issuances and broaden participation in domestic debt markets.

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